

FISCAL NOTE

SB 1577 - HB 1526

March 9, 2001

SUMMARY OF BILL: Exempts from the sales and use tax any tangible personal property purchased by Ruritan Clubs.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$100,000

Decrease Local Govt. Revenues - Exceeds \$37,500

Estimate assumes:

- A sales tax base of \$1,850,000 [$\$12,500 \times 148$].
- A decrease in state revenues that exceeds \$100,000 [$\$1,850,000 \times 6\% = 111,000$].
- A decrease in local government revenues that exceeds \$37,500.
- The state sales tax rate is 6%.
- A local government sales tax rate of 2.25%.

Based on information provided by the Department of Revenue, there are approximately 148 Ruritan Clubs in Tennessee. The average amount of purchases is approximately \$12,500 per club.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

SB 1577 - HB 1526